



Distributor Zone

Options and limitations with digital strategies

Collaborative partnering for digitalization success

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Black Friday and Cyber Monday 2020 are behind us, and they revealed several staggering statistics. Black Friday in-store shopping tanked by 52% while online spending surged 22%. Cyber Monday sales were expected to reach \$13bn – a 60% increase from 2019's \$7.8bn. Yes, the pandemic has driven the dramatic increase in the shift to online shopping; however, a 60% increase is clear evidence consumers are ready (\$\$), willing (informed) and able (access) to fully embrace the online channel.

The online channel is creating new purchasing habits and consumer expectations in every marketplace. Experienced managers know the chirp of a canary in a mineshaft when they hear it, yet only an estimated 20% of gas and welding supply distributors have extended themselves to include a digitalization strategy. For the other 80% of distributors, evaluating and implementing digitalization initiatives in 2021 needs to be a priority.

When Having a Dedicated Website is Enough – Ten years ago is when.

Given the expectation of today's consumer, your digital strategy cannot afford to be limited to the notion your website is the current replacement to yesteryear's Yellow Pages. (If this is you, there's an 800 number for you to call.)

The Lowest Expectation: a Customer Portal – as online commerce evolves, the spectrum of digital offerings also expands. The minimum expectation of today's consumer goes well beyond providing website access to your inventory and their specific pricing for order creation – those simple functions serve *you* more than it serves *them*. Consumers expect to drill into their account history and balances (including signed proof of detailed cylinder exchanges), as well as make online payments against their outstanding balance. If not done so already, building a digitally integrated B2B customer portal should be your minimum digitalization strategy.

Reaching for Online Nirvana: Part 1 – Few distributors under \$50m can afford to independently walk this talk and here's why. To build and maintain a reasonable digital strategy in-house requires several talents that are in high demand everywhere:

E-Commerce Strategic Manager – the overseer and orchestrator of the digital strategy.

Technology Lead - constructs and maintains the mechanical-technical

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aspects of the website, as well as the connectivity to the omni-channel inventory systems.

Creative Lead – has the vision for *how* the website is best developed for optimizing/simplifying customer use and expectation. This individual bridges the gap between the Tech Lead and the Content Expert.

Content Expert – creates, updates, and maintains the online content in order to keep it current and relative to the customer expectations, as well as associated products.

Marketing Lead – collaborates with the Strategic Manager and purchasing personnel to set promotions, oversee and manage the social media aspects of marketing, as well as continually optimize the SEO undertakings of the digital presence.

Adding 4-5 highly sought-after skillsets to your payroll will impact the budget by \$400-600,000. And, as mentioned earlier, these individuals are hard to find and harder to keep.



Without loyalty and dedication from every one of these individuals, an all-out independent digital strategy will suffer from the revolving door HR and management dread.

Reaching for Online Nirvana:

Part 2 - Collaborative partnering can accomplish several things for distributors that are serious about online opportunities, as well as reduce the risk created when independent undertakings become overwhelming. The right partners have already established the underlying technical infrastructures, and are collaborating with systems that will benefit an entire base.

This approach leverages existing underlying standards without jeopardizing the unique distributor offering. Key questions pertinent to partnering will be:

- Does the partnership have a proven background in the industry?

- Do the partners understand data readiness for optimum search results?
- Do the partners know the products and services well enough to introduce relative digital content?
- Is there an existing and robust integration between their systems?
- What feedback and reporting mechanism are offered for successfully monitoring the online channel?
- Will there be a major upfront cost, a subscription plan, or mix of both?

For distributors with existing customer portals reaching for the next level in digitalization of their channel offerings (B2B), investigating existing partnerships between systems providers offers a clear shortcut with labor, time, and exclusive expenses. Your ERP provider can offer clarity with partnering options, and is a clear next step.

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As consumers enjoy positive online experiences through highly evolved retail channels, they will come to expect the same services through their commercial experiences as well.

Omni-channel inventory and distribution practices that include a robust online/digital strategy will be rewarded by the consumers already comfortable with the digital channel. If you're already hearing the canary's chirp, consider implementing a strategy now before the canary becomes a circling vulture. [gw](#)